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August 22, 2012

Benjamin D. Lentz  
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BY ECF

Magistrate Judge Ramon E. Reyes  
U.S. District Court  
Eastern District of New York  
225 Cadman Plaza East  
Brooklyn, NY 11201

Re: Complete Spiral Manufacturing Inc. v.  
Liberty Mutual Insurance Company  
District Court, Eastern District of New York  
Case No.: 1:12-cv-00130-DLI-RER  
TLGGR File No.: 2087.076

Dear Magistrate Judge Reyes:

Please accept our apologies for not filing the status report by Friday, August 17, 2012.

With respect to settlement on two of the three projects at issue, Kings County and Medgar Evers, please be advised that the surety has made payment of the undisputed amount of approximately \$33k on the Kings County project. Further, the surety has responded to Complete Spiral's overall settlement demand by engaging in detailed discussions regarding a threshold issue of a large RJR backcharge (approximately \$50k), and whether the scope of this work was included within the Complete Spiral subcontract. This issue is currently holding up the completion of the settlement discussions on these two projects.

The settlement picture with the third project, Bernard Fineson has changed because Complete Spiral has advised that DASNY is providing Complete Spiral with the opportunity to remediate this issue, and Complete Spiral advises that it should be addressed in the next 30-45 days. Assuming that Complete Spiral resolves the breeching issue to DASNY's satisfaction, Complete Spiral and the surety should be able to resolve the claims on this third project.

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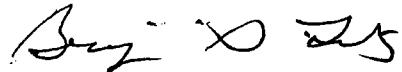
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We respectfully suggest that the parties report back by mid-September regarding the status of settlement discussions.

We have reviewed this status report with counsel for Complete Spiral, and counsel has approved of this report.

Very truly yours,



Benjamin D. Lentz

BDL:mc

cc: By E-mail

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